

Life's better outside."

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Carter P. Smith Executive Director July 26, 2012

Ms. Ursula Parks, Acting Director Legislative Budget Board Robert E. Johnson Building 1501 N. Congress Avenue – 5th Floor Austin, Texas 78701

RE: Preservation of the Battleship TEXAS

Dear Ms. Parks:

On October 24, 2011, Texas Parks and Wildlife (TPWD) reported to your office that comprehensive architectural and engineering studies by AECOM, one of the nation's premier marine engineering firms, had produced estimates of dry berthing options for the Battleship TEXAS that greatly exceeded the \$29 million made available by the 80th Legislature. The report described our intent to explore the possibility of a final modified berthing solution and necessary repairs to support the TEXAS in a dry berth. Given the fact that the risk for towing the ship was too great and anticipating that all dry berthing solutions might be too costly, we began to pursue an alternate course of action that would result in repairs to the ship in her current setting which could extend the life of the ship.

In May of 2012, AECOM estimated a cost of \$56 million (\$33 million for the dry berth and \$23 million for prioritized repairs) for the modified dry berth option. It should be noted that the estimated \$23 million in ship repairs is not all inclusive of the ship's needed repairs. Instead, it is an estimate of the cost for only the most critical repairs necessary to place the TEXAS in a dry berth as outlined in the alternate berthing scenario. As we could not find a dry berth option within the currently available budget, TPWD seeks the Legislative Budget Board concurrence in using the remaining general obligation bond funds to take those actions that can best prolong the life of the ship to preserve the TEXAS in her current wet berth. Those actions will include reinforcements and reconstruction to key elements of the internal ship's structure and the ship's hull. Additionally, we will up-grade or add critical preventative and emergency response components to the ship, to include flooding alarms, and stationary and mobile pumping systems.

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Our professional staff's increasing concerns about the potential for catastrophic events due to the advanced deterioration of the hull has been highlighted by flooding events in June and July 2012 that have resulted in an estimated \$1.5 million in temporary repairs to keep the ship afloat.

TPWD remains committed to the stewardship of the Battleship TEXAS. The recent emergency events on board the vessel in which she took on water at an alarming rate only serve to underscore the necessity to move with all haste towards effecting critical ship repairs. We therefore look forward to your concurrence with our recommended course of action.

Should you have any questions, please do not hesitate to contact Mr. Scott Boruff, Deputy Executive Director of Operations, at (512) 389-8595. Thank you.

Sincerely,

Carter Smith Executive Director

SB:cas

cc: The Honorable Rick Perry, Governor

The Honorable David Dewhurst, Lt. Governor

Mr. David Duran, Office of the Lt. Governor

The Honorable Joe Straus, Speaker

Ms. Ashley Kaden, Policy & Budget, Speaker's Office

The Honorable T. Dan Friedkin, Chairman

Ms. Tina Beck, Legislative Budget Board

Mr. Tony Gregory, Battleship Texas Foundation

Mr. Scott Boruff, Deputy Executive Director, Operations

Mr. Rich McMonagle, Director, Infrastructure

Mr. Brent Leisure, Director, State Parks

Mr. Mike Jensen, Director, Administrative Resources